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**Health Subcommittee
Energy and Commerce Committee
U.S. House of Representatives
Washington, DC**

**FEDERAL CHILDREN'S HOSPITALS
GRADUATE MEDICAL EDUCATION (CHGME) PROGRAM**

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Mr. Chairman, Congressman Brown, and members of the subcommittee, I am Bill Considine, president of Akron Children's Hospital for more than 25 years.

Thank you for the opportunity to testify on the federal Children's Hospitals Graduate Medical Education (CHGME) Program. Akron Children's is one of the six hospitals in Ohio and 60 nationwide that qualify for CHGME. We very much appreciate the leadership of the Energy and Commerce Committee and so many members of this Subcommittee in authorizing the program in 1999 and reauthorizing it for five years in 2000.

CHGME strives to give the nation's 60 independent children's teaching hospitals a level of federal GME support comparable to what all other teaching hospitals receive through Medicare. CHGME has been a success for the children of Akron, the children of Ohio, and the children in every state in the country. It has enabled our hospitals to sustain and strengthen our training programs, which are a vital part of our mission and the care we provide.

Akron Children's Hospital is a good illustration of the range of services an independent children's hospital provides.

We provide nearly 43,700 days of inpatient care, as well as 433,000 outpatient visits in the hospital and in 14 neighborhood clinics and other facilities throughout the region. They include 205,000 primary care visits, 108,000 specialty care visits, 62,000 emergency care visits, and other care visits. We serve children from 51 Ohio counties and 22 states each year. We devote 44% of our patient care to children under Medicaid and that proportion is only growing.

Akron Children's is a major center of excellence for children with cancer, heart defects and trauma. As a consequence, the severity of care our hospital provides is nearly 70% greater than it is for community hospitals nationwide. We also conduct research in areas such as cancer, heart defects, emergency care, neonatal care, emergency medicine, infectious disease, and more.

Akron Children's has a long-standing commitment to training physicians. In the 1920s, our hospital was the first of any hospital in Akron to train physicians. Today we play a unique role in physician training in our region. We are part of an academic medical enterprise that includes a medical school with three university affiliations and eight teaching hospitals. Akron Children's is the only major pediatric institution.

In addition to training more than 70 pediatric and pediatric specialty residents annually, our hospital provides training to more than 380 residents in other areas – such as internists, family

practice physicians, surgeons. They rotate from the other teaching hospitals through our hospital for short periods of time to receive exposure to pediatrics.

More than 75% of all of the pediatricians and pediatric specialists we train go on to practice in Ohio. More than half of the pediatricians we train provide care as part of our community based primary care network after graduation. And most of the pediatric subspecialists in our community are trained at the hospital. Our training program benefits not only our patients but all children.

In the late 1990s and early years of this decade, as CHGME was just starting, Akron Children's had major financial challenges. We faced negative operating margins, pressures to curtail our training, and pressures to curtail services for which little or no income was available. One example was our regional poison control, which we had to close for lack of funds. Another example was the closure of our "continuity" clinic which moved patients from the hospital to primary care clinics in the community.

While our adult teaching partners received more than \$60,000 of dollars in Medicare GME support per resident, we received only a few hundred dollars per resident, with no comparable, alternative source of GME support. We were dedicated to our historic mission of physician education in our region, but it was becoming harder and harder to continue to shoulder our responsibility for training about 50 FTE residents at that time, much less strengthen that commitment to meet growing need.

Today, the \$4 million in annual CHGME funding that Akron Children's receives has made a world of difference. We have increased the total number of FTE residents we train by 21%, the number pediatric FTE residents we train by 20%, and the number of pediatric specialists we train by much more since 2000. This year, we will train more than 87 FTE residents, including 71 pediatric residents and fellows with specialty programs in clinical areas such as emergency care, radiology, pathology, and sports medicine.

We have opened new training programs in pediatric oncology, pediatric palliative care, and child psychiatry. We are applying for approval to open programs in pediatric general surgery and burn care. Those new programs and the residents we train will help us to respond to serious physician shortages. For example, mental health care for children has been in a crisis in our region for many years. In the face of overwhelming need, Akron Children's itself was forced to scale back its inpatient psychiatric service. Thanks to CHGME funding, we are now able to train pediatric psychiatrists with a good chance they will practice in our region. That will help us to develop new services and meet the tremendous unmet need that exists.

We have been able to improve the quality of the training we provide in a number of ways. By employing hospitalists – full time, senior physicians on staff in the hospital -- we enhance the training experience of the residents. By being able to increase the physicians we employ, it makes it possible for faculty to devote more time to research, which enriches the research experience of our residents. Research is a growing part of our hospital's mission, and future pediatric researchers come primarily from independent children's hospitals.

With the resources CHGME has given us, we have been able to introduce new electronic technology – hand-held computers to aid residents in treating complex patients. We have expanded training to include new areas of focus on special dimensions of pediatric care, such as palliative care, which is so important with the growing numbers of children with cancer we treat.

And we have been able to do all of this without sacrificing our clinical care or research efforts. In fact, with CHGME, we have been able to strengthen both, as CHGME helped offset losses from the uncovered costs of teaching.

If there were no CHGME funding tomorrow, Akron Children's would find its operating margins in the red and its financial health at risk. Our ability to open new fellowships in surgery and burn care, which have been recommended by the American College of Surgeons, as well as our ability to continue to provide pediatric rotational training to hundreds of non-pediatric physicians would be in jeopardy. And our loss of nearly \$4 million would, once again, put pressure to cut back on vital services for which there is little or no income, such as the physicians we now pay for to deliver care to low-income children at a community health center.

Our experience is reflected among the 60 independent children's hospitals. In the late 1990s, many faced financial challenges, which Moody's Investor Services and Standard and Poor's attributed in part to the absence of public funding for our education programs. Many of our hospitals had begun to curtail our training, limit services that require hospital subsidy or not undertake needed service expansions.

Since CHGME's enactment in 1999 and full funding for the first time in 2002, the picture has changed significantly. Collectively, we have increased the numbers of pediatric residents trained, the numbers of pediatric specialists trained, and the numbers, and the number of pediatric subspecialty training programs. Without our growth in training due to CHGME, the number of pediatric residents trained would have continued to decline.

Equitable GME support through CHGME helped offset our losses on teaching and that has helped us weather many challenges -- children's growing loss of private insurance, rising numbers of children covered by Medicaid for which payment is well below cost, mounting costs for information technology, and the ongoing capital needs of resource and service intensive institutions like ours.

In conclusion, CHGME restores equitable federal GME support and fair competition to children's hospitals. CHGME benefits all children.

There is strong, bipartisan support for CHGME. Please continue the strong, successful CHGME program that exists today by reauthorizing it as quickly as possible.

One Page Summary

Testimony by William Considine Akron Children's Hospital

- I. Greetings
- II. Appreciation for the broad, bipartisan support for enactment and reauthorization of CHGME from Congress overall and the leadership of full committee and subcommittee.

- Authorization in 1999
 - Reauthorization for five years in 2000
- III. Akron Children's Hospital's commitment to training pediatric and specialty residents is historic.
- The first teaching hospital in Akron
 - The single, major children's teaching hospital in our region, caring for children from 50 counties in Ohio and 22 states
 - Today, train more than 80 FTE residents, including pediatric residents and other residents receiving pediatric rotations
- IV. History of CHGME
- Began in the late 1990's when Akron Children's faced financial shortfalls: pressure to close poison control center, continuity clinic; ability to train only 50 residents with pressure to cut
- V. Financial impact of CHGME on Akron Children's
- Offset the financial burden of training residents
 - Increased pediatric resident trained by 20%
 - Employment of new specialty physicians
 - Introduction of electronic technology
- VI. A future without CHGME
- Financial losses
 - Curtailment of training
 - Limiting services
- VII. A request for reauthorization of GME funding